

NSC BRIEFING

27 October 1954

SOVIET-YUGOSLAV RELATIONS

- I. Sudden increase in Soviet efforts improve Yugo relations. Effort, itself, dates from Stalin's death, but heretofore casual:
 - A. June '53, ambassador appointed.
 - B. After that, some Satellites followed suit, also made small trade deals.
 - C. Border incidents down.
 - D. Orbit anti-Yugo propaganda down.
- II. In last weeks, Moscow's approach to Yugo both surprising, new:
 - A. Started (mid-September) use selected quotes from Yugo press, leaders: ^{APPEARANCE} careful give Yugo support Soviet policy.
 - B. Anti-Tito clandestine radio off air (29 Sep); jamming Yugo broadcasts to Orbit stopped; anti-Tito books off shelves in Poland.

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- C. Last week (10th anniv. liberation Belgrade), USSR cheered Yugo partisans-first time since '48 break.
- D. \$5 million deal between Moscow and Belgrade trade agencies signed 1 October. Yugo also agreed to talks on more formal trade deal (Orbit trade now 5% Yugo total - could exceed 25%, prewar figure).
- E. Soviet "cognizance" Trieste settlement partly reflection desire improve Yugo relations.

III. Yugos not rejecting these moves:

position--always willing normalize on basis equality.

- A. Plan exchange Soviet, Yugo movies-- would be first cultural/propaganda interchange in six years.
- B. Also okayed Soviet commercial overflights to Albania.

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IV. Tito, other Yugo leaders on record that cooperation with West no bar to improved relations with East. Hold view that "equilibrium...had been created" wherein "East-West conferences" possibly fruitful.

- A. Tito (16 October) stated will not "go back to Moscow."
- B. Yugos will continue cooperation with West for defense.
- C. Yugos approve European unification, even German rearmament. But simultaneously believe in negotiations with USSR, characterize Soviet policy of relaxing tension in Europe as "permanent."
- D. Yugos take stand that, as socialist state, cannot join any organization (such as NATO) which primarily anti-Communist.

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V. Tone of Yugo propaganda on USSR continues ameliorate:

- A. 10th anniv. speeches still gave most credit to Yugo forces, mentioned Soviet-Yugo "quarrels and disagreements."
- B. Had ceremony at Soviet-Yugo soldier's cemetery, but was "pretty dismal."

VI. Soviet shift attributed to reevaluation policy toward Yugos, attempt block further Yugo shift West.

- A. "Normalization" efforts of last year gained little--new moves needed counterbalance such West gains as Balkan alliance, Trieste settlement.
- B. Gestures fit conciliatory pattern Soviet European policy, but also Kremlin may think especially productive for Communist Yugo; as test "deviationist" regime's responses; as preparation future offers; as easy means inflaming Western suspicions Yugo.

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C. Moscow may plan eventually offer Tito some real bait for shift to East, but no signs yet.

D. First will continue improve atmosphere.

VII. Yugo self-interest appears bar return to East.

A. Tito now has virtual Western guarantee national security, plus military, economic aid, at no cost to independence, internal autonomy (Soviet control attempts were major cause '48 break).

B. Yugos see recent moves (getting out of joint companies, Port Arthur agreement) as Soviet recognition necessity less interference internal affairs other states.

C. However, Tito and leaders still distrustful enough to discount any Soviet

D. Yugos nonetheless may believe
that improved relations with Bloc
give leverage in bargaining with
West.